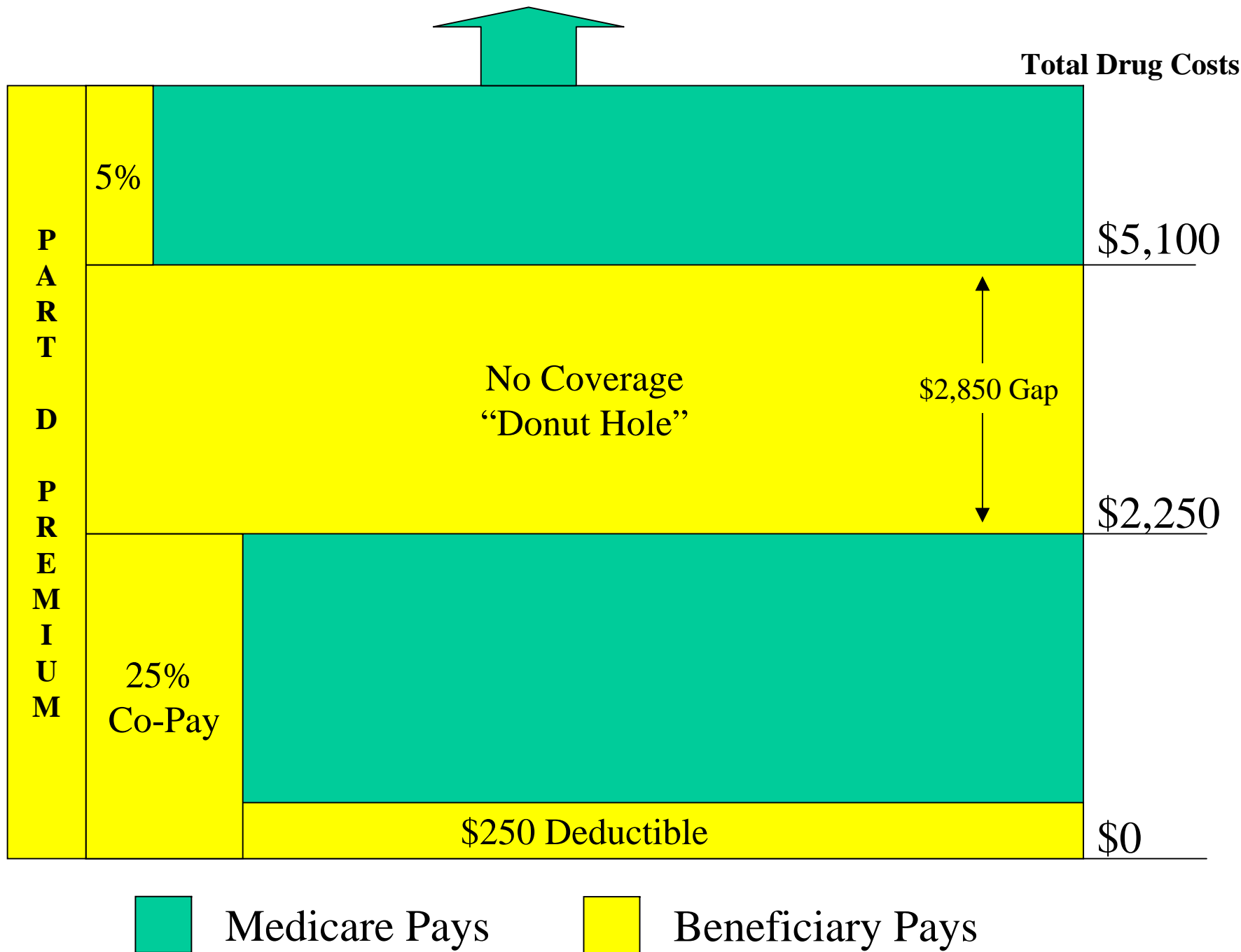


Medicare Part D

Medicare Prescription Drug,
Improvement, and Modernization Act
of 2003

Part D - Medicare Prescription Drug Program

- Starts January 1, 2006
- Provides prescription drug coverage to Medicare beneficiaries
- Voluntary
- Prescription Drug Plans (PDP) - cover two drugs in each class, set premium, create network, etc.
- Monthly premiums
- Co-pays
- \$250 deductible
- Donut hole
- Catastrophic coverage
- Treatment of low-income population



Full Benefit Dual Eligibles (FBDE)

- Medicaid can no longer provide prescription drug coverage to Medicare beneficiaries (and receive federal reimbursement)
- State pays ‘claw back’ to federal government to offset cost of FBDE drug costs
- FBDEs are deemed Low Income Subsidy (LIS) eligible
- Will be automatically enrolled in Prescription Drug Plan (PDP)

LIS - 135-150%

Not Medicaid/QMB, etc.

Income 135% to 150% FPL & Assets < \$10k/\$20k

Pay % of premium

15% Co-Pays Up to \$3,600 OOP(Out Of Pocket) - Then \$2/\$5 Co-Pays

LIS - up to 135%

Not Medicaid/QMB, etc.

Income < 135% FPL & Assets < \$6k/\$9k

\$2/\$5 Co-Pays Up to \$3,600 OOP, then \$0 Co-Pay

QMB/SLMB/QI-1

Drugs through Medicare

Deemed eligible for LIS

\$2/\$5 Co-Pays Up to \$3,600 OOP, then \$0 Co-Pay

Not Auto-Enrolled in PDP

Full Benefit Dual Eligibles (MA/Medicare)

Drugs through Medicare

Deemed Eligible for LIS

Income < 100% \$1/\$3 >100% \$2/\$5 Co-Pays Up to \$3,600 OOP, then \$0 Co-Pay

Auto-Enrolled in a Prescription Drug Plan (PDP)

Low Income Subsidy (LIS)

- SSA has developed an application and eligibility determination process for LIS
- Outreach campaign to non-FBDE potential LIS group will begin in April 2005.
- Applications (Internet, mail-in, phone-in, in-person, etc.) will be processed beginning July 1, 2005.
- SSA will provide training for organizations (including local public assistance agencies) who want to help people fill out the application.

Low Income Subsidy - States' role???

- Federal law requires both SSA and states to take applications and process eligibility
- The determiner of LIS initial eligibility is responsible for renewals (annual) and fair hearing process.

State Pharmacy Assistance Program (SPAP) Transitions Grant

- Wisconsin was awarded a federal grant of \$1.1 million for each FFY05 & FFY06 to educate and inform Wisconsin citizens about Medicare Part D
- Transition Grant Plan
 - Additional Benefit Specialists and hotline for clinical technical assistance
 - SeniorCare Hotline
 - Elder Law Center Hotline
 - ACCESS (Part D & LIS)